

**Introduced by Senator Murray  
(Principal coauthor: Senator Alpert)**

February 20, 2003

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An act to amend Sections 12090, 12091, 12092, 12093, 12094, 66010.6, 66903, 94770, and 94780 of, to amend and renumber Sections 94900, 94901, and 94905 of, to add a chapter heading immediately preceding Section 94250 of, and to repeal the heading of Article 8 (commencing with Section 94900) of Chapter 7 of Part 59 of, the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 542, as introduced, Murray. Postsecondary education: California Postsecondary Education Commission.

(1) Existing law, known as the Donahoe Higher Education Act, sets forth, among other things, the missions and functions of California's public and independent segments of higher education, and their respective institutions of higher education. Among other things, the act establishes the California Postsecondary Education Commission (CPEC) for, among other purposes, the collection of data pertinent to the planning and coordination of the higher education system of the state.

Existing law authorizes the State Department of Education to enter into agreements with the federal Veterans Administration, or any other agency of the federal government, for the education of veterans in any of the schools of the California public school system, except the California State University.

This bill would withdraw that authority from the State Department of Education and, instead, grant that authority to CPEC.

(2) The existing Private Postsecondary and Vocational Education Reform Act of 1989 generally sets minimum standards of instructional quality, ethical and business practices, health and safety, and fiscal responsibility for private postsecondary and vocational educational institutions, as defined. The act establishes the Bureau for Private Postsecondary and Vocational Education, which, among other things, is required to review and investigate all institutions, programs, and courses of instruction approved under the act. The act is to be repealed by its own provisions on January 1, 2005.

This bill would renumber the provisions of the act that relate to private postsecondary institutions that grant degrees, as defined, and remove those provisions from the act. The repeal date of the act would no longer be applicable to these provisions, the operation of which would thus be extended indefinitely. The bill would also withdraw from the bureau the authority to regulate and approve private postsecondary institutions that grant degrees and, instead, grant that authority to CPEC.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. It is the intent of the Legislature to accomplish  
2 all of the following:

3 (a) Facilitate articulation and transferability of courses  
4 completed by students in the public, private, and independent  
5 sectors of postsecondary education by applying a common set of  
6 program review standards.

7 (b) Ensure that students are not defrauded when they choose to  
8 enroll in private degree-granting institutions.

9 (c) Use the full range of public and nonpublic resources to meet  
10 the education demands of Tidal Wave II.

11 SEC. 2. Section 12090 of the Education Code is amended to  
12 read:

13 12090. (a) Subject to the provisions of this article, the ~~State~~  
14 ~~Department of Education acting by and through the Director of~~  
15 ~~Education~~ *commission* is hereby authorized to enter into an  
16 agreement, or agreements, with the Veterans Administration, or  
17 any other agency of the federal government, for the education of  
18 veterans in any of the schools of the public school system, except



1 the California State University. The contract shall provide for the  
2 payment to the schools through the ~~State Department of Education~~  
3 *commission* or otherwise of the maximum amount permitted by  
4 the act, or acts, of Congress under which the agreement, or  
5 agreements, is entered into by the Veterans Administration, or any  
6 other agency of the federal government.

7 (b) *As used in this article, "commission" refers to the*  
8 *California Postsecondary Education Commission.*

9 SEC. 3. Section 12091 of the Education Code is amended to  
10 read:

11 12091. The ~~Director of Education~~ *commission* is vested with  
12 all necessary power and authority to cooperate with any ~~such~~  
13 agency of the federal government in the administration of any  
14 ~~applicable~~ act of Congress ~~and, as well as the rules and regulations~~  
15 ~~adopted thereunder, that is applicable to this article.~~

16 SEC. 4. Section 12092 of the Education Code is amended to  
17 read:

18 12092. The ~~Department of Education through the Director of~~  
19 ~~Education~~ *commission* is authorized to enter into agreements with  
20 governing boards of school districts for the education by ~~such~~  
21 ~~those~~ districts of veterans in accordance with the agreement  
22 between the ~~Department of Education~~ *commission* and the agency  
23 of the federal government.

24 SEC. 5. Section 12093 of the Education Code is amended to  
25 read:

26 12093. The governing board of any school district ~~which~~  
27 ~~entered that enters~~ into an agreement with the ~~Department of~~  
28 ~~Education~~ *commission* under this article may do any and all things  
29 required or authorized by ~~such that~~ agreement ~~of the board or~~  
30 ~~district~~, including, but not *necessarily* limited to, the purchase of  
31 books, supplies, and equipment for *the* veterans educated under  
32 ~~such that~~ agreement.

33 SEC. 6. Section 12094 of the Education Code is amended to  
34 read:

35 12094. The ~~Department of Education~~ *commission* shall  
36 exercise general supervision over, and shall provide for the  
37 coordination of, all services *performed*, and *all* facilities  
38 ~~performed and~~ provided, by school districts for the education of  
39 veterans to the end that the needs of the veterans shall be met in the  
40 most adequate manner.

1 SEC. 7. Section 66010.6 of the Education Code is amended  
2 to read:

3 66010.6. (a) The missions of agencies charged with  
4 coordination, administration, or implementation of higher  
5 education policies and programs in California shall be as follows:

6 ~~(a)–~~

7 (1) The California Postsecondary Education Commission is  
8 the statewide postsecondary education coordinating and planning  
9 agency. The commission shall serve as a principal fiscal and  
10 program advisor to the Governor and the Legislature on  
11 postsecondary educational policy. Consistent with Section 66903,  
12 the commission's responsibilities shall include, but not *necessarily*  
13 be limited to, *all of* the following:

14 ~~(1)–~~

15 (A) Analysis and recommendations related to long-range  
16 planning for public postsecondary education.

17 ~~(2)–~~

18 (B) Analysis of state policy and programs involving the  
19 independent and private postsecondary educational sectors.

20 ~~(3)–~~

21 (C) Analysis and recommendations related to program and  
22 policy review.

23 ~~(4)–~~

24 (D) Resource analysis.

25 ~~(5)–~~

26 (E) Maintenance and publication of pertinent public  
27 information relating to all aspects of postsecondary education.

28 ~~The~~

29 (F) *Approving and regulating private postsecondary*  
30 *educational institutions that grant degrees.*

31 (2) The commission shall consult with the postsecondary  
32 educational segments and with relevant state agencies, including  
33 the Student Aid Commission, the Superintendent of Public  
34 Instruction, and other relevant parties, in its preparation of  
35 analyses and recommendations to the Governor and the  
36 Legislature. However, the commission shall remain an  
37 independent and nonpartisan body responsible for providing an  
38 integrated and segmentally unbiased view for purposes of state  
39 policy formulation and evaluation.



(b) (1) The California Student Aid Commission is the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. These programs include grant, work study, and loan programs supported by the state and the federal government.

~~Consistent~~

(2) *Consistent* with this responsibility, the ~~Commission~~ *commission* shall provide, in consultation with the postsecondary education segments and relevant state agencies, policy leadership on student financial aid issues, evaluate the effectiveness of its programs, conduct research and long-range planning as a foundation for program improvement, report on total state financial aid needs, and disseminate information to students and their families.

(c) The ~~Council~~ *Bureau* for Private Postsecondary and Vocational Education is the primary state agency responsible for approving and regulating private postsecondary and vocational educational institutions, *other than private postsecondary institutions that grant degrees*, and for developing state policies for private postsecondary and vocational education in California. The ~~council~~ *bureau* shall represent the private postsecondary and vocational education institutions, *other than private postsecondary institutions that grant degrees*, in all state level planning and policy discussions about postsecondary and vocational education.

SEC. 8. Section 66903 of the Education Code is amended to read:

66903. The commission has the following functions and responsibilities in its capacity as the statewide postsecondary education planning and coordinating agency and adviser to the Legislature and the Governor:

(a) It shall require the governing boards of the segments of public postsecondary education to develop and submit to the commission institutional and systemwide long-range plans in a form determined by the commission after consultation with the segments.

(b) It shall prepare a state plan for postsecondary education that shall integrate the planning efforts of the public segments with other pertinent plans. The commission shall seek to resolve

1 conflicts or inconsistencies among segmental plans in consultation  
2 with the segments. If these consultations are unsuccessful, the  
3 commission shall report the unresolved issues to the Legislature  
4 with recommendations for resolution. In developing the plan, the  
5 commission shall consider at least the following factors:

6 (1) The need for, and location of, new facilities.

7 (2) The range and kinds of programs appropriate to each  
8 institution or system.

9 (3) The budgetary priorities of the institutions and systems of  
10 postsecondary education.

11 (4) The impact of various types and levels of student charges  
12 on students and on postsecondary education programs and  
13 institutions.

14 (5) The appropriate levels of state-funded student financial aid.

15 (6) The access and admission of students to postsecondary  
16 education.

17 (7) The educational programs and resources of independent  
18 and private postsecondary institutions.

19 (8) The provisions of this division differentiating the functions  
20 of the public systems of higher education.

21 (c) It shall update the plan periodically, as appropriate.

22 (d) It shall participate in appropriate stages of the executive and  
23 the legislative budget processes as requested by the executive and  
24 the legislative branches, and shall advise the executive and the  
25 legislative branches as to whether segmental programmatic  
26 budgetary requests are compatible with the state plan. It is not  
27 intended that the commission hold independent budget hearings.

28 (e) It shall advise the Legislature and the Governor regarding  
29 the need for, and location of, new institutions and campuses of  
30 public higher education.

31 (f) It shall review proposals by the public segments for new  
32 programs, the priorities that guide them, and the degree of  
33 coordination with nearby public, independent, and private  
34 postsecondary educational institutions, and shall make  
35 recommendations regarding those proposals to the Legislature and  
36 the Governor.

37 (g) In consultation with the public segments, it shall establish  
38 a schedule for segmental review of selected educational programs,  
39 evaluate the program approval, review, and disestablishment

1 processes of the segments, and report its findings and  
2 recommendations to the Legislature and the Governor.

3 (h) It shall serve as a stimulus to the segments and institutions  
4 of postsecondary education by projecting and identifying societal  
5 and educational needs and encouraging adaptability to change.

6 (i) It shall periodically collect or conduct, or both collect and  
7 conduct, studies of projected manpower supply and demand, in  
8 cooperation with appropriate state agencies, and disseminate the  
9 results of those studies to institutions of postsecondary education  
10 and to the public in order to improve the information base upon  
11 which student choices are made.

12 (j) It shall periodically review and make recommendations  
13 concerning the need for, and availability of, postsecondary  
14 programs for adult and continuing education.

15 (k) It shall develop criteria for evaluating the effectiveness of  
16 all aspects of postsecondary education.

17 (l) It shall maintain and update annually an inventory of all  
18 off-campus programs and facilities for education, research, and  
19 community services operated by public and independent  
20 institutions of postsecondary education.

21 (m) (1) It shall act as a clearinghouse for postsecondary  
22 education information and as a primary source of information for  
23 the Legislature, the Governor, and other agencies. It shall develop  
24 and maintain a comprehensive data base that does all of the  
25 following:

26 (A) Ensures comparability of data from diverse sources.

27 (B) Supports longitudinal studies of individual students as they  
28 progress through the state's postsecondary educational  
29 institutions, based upon the commission's existing student data  
30 base through the use of a unique student identifier.

31 (C) Is compatible with the California School Information  
32 System and the student information systems developed and  
33 maintained by the public segments of higher education, as  
34 appropriate.

35 (D) Provides Internet access to data, as appropriate, to the  
36 sectors of higher education.

37 (E) Provides each of the educational segments access to the  
38 data made available to the commission for the purposes of the ~~data~~  
39 ~~base~~ database, in order to support, most efficiently and effectively,



1 statewide, segmental, and individual campus educational research  
2 information needs.

3 (2) The commission, in implementing paragraph (1), shall  
4 comply with the federal Family Educational Rights and Privacy  
5 Act of 1974 (20 U.S.C. Sec. 1232g) relating to the disclosure of  
6 personally identifiable information concerning students.

7 (3) The commission may not make available any personally  
8 identifiable information received from a postsecondary  
9 educational institution concerning students for any regulatory  
10 purpose unless the institution has authorized the commission to  
11 provide that information on behalf of the institution.

12 (4) The commission shall provide 30-day notification to the  
13 chairpersons of the appropriate legislative policy and budget  
14 committees of the Legislature, to the Director of Finance, and to  
15 the Governor prior to making any significant changes to the  
16 student information contained in the ~~data-base~~ database.

17 (n) It shall establish criteria for state support of new and  
18 existing programs, in consultation with the public segments, the  
19 Department of Finance, and the Joint Legislative Budget  
20 Committee.

21 (o) It shall comply with the appropriate provisions of the  
22 federal Education Amendments of 1972 (P.L. 92-318), as  
23 specified in Section 67000.

24 (p) It shall consider the relationship among academic education  
25 and vocational education and job training programs, and shall  
26 actively consult with representatives of public and private  
27 education.

28 (q) It shall review all proposals for changes in eligibility pools  
29 for admission to public institutions and segments of postsecondary  
30 education and shall make recommendations to the Legislature, the  
31 Governor, and institutions of postsecondary education. In carrying  
32 out this subdivision, the commission periodically shall conduct a  
33 study of the percentages of California public high school graduates  
34 estimated to be eligible for admission to the University of  
35 California and the California State University. The changes made  
36 to this subdivision during the 2001–02 Regular Session of the  
37 Legislature shall be implemented only during those fiscal years for  
38 which funding is provided for the purposes of those provisions in  
39 the annual Budget Act or in another measure.





(r) It shall report periodically to the Legislature and the Governor regarding the financial conditions of independent institutions, their enrollment and application figures, the number of student spaces available, and the respective cost of utilizing those spaces as compared to providing additional public spaces. The reports shall include recommendations concerning state policies and programs having a significant impact on independent institutions.

(s) Upon request of the Legislature or the Governor, it shall submit to the Legislature and the Governor a report on all matters so requested that are compatible with its role as the statewide postsecondary education planning and coordinating agency. Upon request of individual Members of the Legislature or personnel in the executive branch, the commission shall submit information or a report on any matter to the extent that sufficient resources are available. From time to time, it also may submit to the Legislature and the Governor a report that contains recommendations as to necessary or desirable changes, if any, in the functions, policies, and programs of the several segments of public, independent, and private postsecondary education.

(t) In consultation with the public segments, it shall consider the development of facilities to be used by more than one segment of public higher education, commonly called “joint-use facilities.” It shall recommend to the Legislature criteria and processes for different segments to utilize bond funds for these intersegmental, joint-use facilities.

(u) *Pursuant to Chapter 2.5 (commencing with Section 94250) of Part 59, it shall provide oversight and regulatory services with respect to private postsecondary institutions that offer degree programs.*

(v) It may undertake other functions and responsibilities that are compatible with its role as the statewide postsecondary education planning and coordinating agency.

SEC. 9. A chapter heading immediately preceding Section 94250, is added to Part 59 of the Education Code, to read:

1 CHAPTER 2.5. PRIVATE POSTSECONDARY DEGREE-GRANTING  
2 INSTITUTIONS  
3

4 SEC. 10. Section 94770 of the Education Code is amended to  
5 read:

6 94770. (a) There is a Bureau for Private Postsecondary and  
7 Vocational Education in the Department of Consumer Affairs. The  
8 bureau shall succeed to any and all rights and claims of the former  
9 Council for Private Postsecondary and Vocational Education that  
10 may have been asserted in any judicial or administrative action  
11 pending on January 1, 1998, and shall take any action reasonably  
12 necessary to assert and realize those rights and claims in its own  
13 name. The functions of the former council and the responsibilities  
14 the former council had for the administration of former Chapter 7  
15 (commencing with Section 94700) on June 29, 1997, are  
16 transferred to the bureau, effective January 1, 1998, as provided by  
17 this act. It is the intent of the Legislature that there be no gap in the  
18 performance of functions or the administration of the law  
19 governing private postsecondary educational institutions.  
20 Notwithstanding any other provision of law, Section 19050.9 of  
21 the Government Code shall apply regardless of the date on which  
22 former Chapter 7 (commencing with Section 94700) became  
23 inoperative or was repealed.

24 ~~The~~

25 (b) *The* bureau shall have possession and control of all records,  
26 papers, offices, equipment, supplies, or other property, real or  
27 personal, held for the benefit or use by the former council in the  
28 performance of the duties, powers, purposes, responsibilities, and  
29 jurisdictions that are vested in the bureau.

30 ~~The~~

31 (c) *The* bureau has the responsibility for approving and  
32 regulating private postsecondary educational institutions, *other*  
33 *than the degree-granting institutions that are approved and*  
34 *regulated by the California Postsecondary Education Commission*  
35 *pursuant to Chapter 2.5 (commencing with Section 94250). The*  
36 bureau shall have, as its objective, the development of a strong,  
37 vigorous, and widely respected sector of private postsecondary  
38 and vocational education.

39 SEC. 11. Section 94780 of the Education Code is amended to  
40 read:

94780. No institution, subject to this chapter, shall offer any educational service unless the institution is first approved by the council and meets all of the requirements in the following articles:

(a) This article, Article 6 (commencing with Section 94800) except as provided for institutions approved under Article 9.5 (commencing with Section 94931), Article 10 (commencing with Section 94932), Article 11 (commencing with Section 94940), and Article 12 (commencing with Section 94944).

~~(b) Article 8 (commencing with Section 94900), if the institution offers degrees.~~

~~(c) Article 9 (commencing with Section 94915), if the institution does not offer degrees.~~

~~(d)~~

(c) Article 9.5 (commencing with Section 94931), if the institution is registered pursuant to that article.

~~(e)~~

(d) Article 7 (commencing with Section 94850), if the educational programs are not exempt under Section 94790.

SEC. 12. The heading of Article 8 (commencing with Section 94900) of Chapter 7 of Part 59 of the Education Code is repealed.

~~Article 8. Standards and Evaluation Procedures for  
Degree-Granting Institutions~~

SEC. 13. Section 94900 of the Education Code is amended and renumbered to read:

~~94900.~~—

94250. (a) (1) No private postsecondary educational institution may issue, confer, or award an academic or honorary degree unless the institution is approved by the ~~council~~ *commission* to operate in California and award degrees.

~~The council~~

(2) *The commission* shall not issue an approval under paragraph (1) of subdivision (c) of Section ~~94901~~ 94251 or a conditional approval under paragraph (2) of subdivision (c) of Section ~~94901~~ 94251 until it has conducted a qualitative review and assessment of, and has approved, each degree program offered by the institution, and all of the operations of the institution, and has determined all of the following:

1 (A) The institution has the facilities, financial resources,  
2 administrative capabilities, faculty, and other necessary  
3 educational expertise and resources to ensure its capability of  
4 fulfilling the program or programs for enrolled students.

5 (B) The faculty are fully qualified to undertake the level of  
6 instruction that they are assigned ~~and shall~~, possess degrees or  
7 credentials appropriate to the degree program and level they teach,  
8 and have demonstrated professional achievement in the major  
9 field or fields offered, in sufficient numbers to provide the  
10 educational services.

11 (C) The education services and curriculum clearly relate to the  
12 objectives of the proposed program or programs, and offer  
13 students the opportunity for a ~~quality~~ *high-quality* education.

14 (D) The facilities are appropriate for the defined educational  
15 objectives and are sufficient to ensure quality educational services  
16 to the students enrolled in the program or programs.

17 (E) The program of study for which the degree is granted  
18 provides the curriculum necessary to achieve its professed or  
19 claimed academic objective for higher education, and the  
20 institution requires a level of academic achievement appropriate  
21 to that degree.

22 (F) The institution provides adequate student advisement  
23 services, academic planning and curriculum development  
24 activities, research supervision for students enrolled in Ph.D.  
25 programs, and clinical supervision for students enrolled in various  
26 health profession programs.

27 (G) If the institution offers credit for prior experiential learning  
28 it may do so only after an evaluation by qualified faculty and only  
29 in disciplines within the institution's curricular offerings that are  
30 appropriate to the degree to be pursued. The ~~council~~ *commission*  
31 shall develop specific standards regarding the criteria for awarding  
32 credit for prior experiential learning at the graduate level,  
33 including the maximum number of hours for which credit may be  
34 awarded.

35 (b) The approval process shall include a qualitative review and  
36 assessment of all of the following:

- 37 (1) Institutional purpose, mission, and objectives.
- 38 (2) Governance and administration.
- 39 (3) Curriculum.
- 40 (4) Instruction.



- (5) Faculty, including their qualifications.
- (6) Physical facilities.
- (7) Administrative personnel.
- (8) Procedures for keeping educational records.
- (9) Tuition, fee, and refund schedules.
- (10) Admissions standards.
- (11) Financial aid policies and practices.
- (12) Scholastic regulations and graduation requirements.
- (13) Ethical principles and practices.
- (14) Library and other learning resources.
- (15) Student activities and services.
- (16) Degrees offered.

~~The~~  
(c) *The standards and procedures utilized by the ~~council~~ commission shall foster the development of ~~high-quality~~ high-quality, innovative educational programs and emerging new fields of study within postsecondary education. In addition, the standards and procedures utilized by the ~~council~~ commission shall not unreasonably hinder educational innovation and competition.*

~~(e)~~  
(d) (1) The Committee of Bar Examiners for the State of California, in lieu of the ~~council~~ commission, shall be responsible for the approval, regulation, and oversight of degree-granting law schools that (A) exclusively offer bachelor's, master's, or doctorate degrees in law, such as Juris Doctor, and (B) are not otherwise exempt under Section 94750. This paragraph does not apply to unaccredited law schools that remain subject to the jurisdiction of the ~~bureau~~ commission.

(2) If a law school not exempt under Section 94750 offers educational services other than bachelor's, master's, or doctorate-degree programs in law, the law school and its nonlaw degree programs shall be subject to ~~this chapter~~ Chapter 7 (commencing with Section 94700), and the law school's degree programs in law shall be subject to the approval, regulation, and oversight of the Committee of Bar Examiners.

(e) *As used in this chapter, "commission" refers to the California Postsecondary Education Commission.*

SEC. 14. Section 94901 of the Education Code is amended and renumbered to read:

94901.—(a) ~~The council~~

1 94251. (a) (1) *The commission* shall conduct a qualitative  
2 review and assessment of the institution. It also shall conduct a  
3 qualitative review and assessment of all programs offered except  
4 continuing education programs and programs that are exclusively  
5 avocational or recreational in nature. The review shall include the  
6 items listed in subdivision (b) of Section ~~94900~~ 94250, through a  
7 comprehensive onsite review process, performed by a qualified  
8 visiting committee impaneled by the ~~council~~ *commission* for that  
9 purpose.

10 ~~An~~  
11 (2) *An* institution may include some or all of its separate  
12 operating sites under one application. ~~Alternately~~ *Alternatively*, it  
13 may submit separate applications for any one site or combination  
14 of sites. The satellites or branches included in either an initial or  
15 renewal application shall be considered by the ~~council~~ *commission*  
16 to comprise a separate, single institution for purposes of  
17 regulation, approval, and compliance under this chapter.

18 ~~The~~  
19 (3) *The* application shall include a single fee based on the  
20 number of branches, satellites, and programs included within a  
21 single application in order to cover the costs involved for those  
22 multisite and multiprogram reviews. If the application is for  
23 renewal of an existing approval, the institution need only submit  
24 information necessary to document any changes made since the  
25 time its previous application was filed with the ~~council~~  
26 *commission*. Fees for renewal applications will be based on the  
27 actual costs involved in the administrative review process.

28 (b) The number of sites inspected by the ~~council~~ *commission* as  
29 part of its review process shall be subject to the following  
30 considerations:

31 (1) If the application for approval includes branches and  
32 satellites, the ~~council~~ *commission* shall inspect each branch and  
33 may inspect any satellite campus.

34 (2) If the application is for approval to operate a branch or a  
35 satellite, the ~~council~~ *commission*, in addition to inspecting the  
36 branch or satellite, also may inspect the institution operating the  
37 branch or satellite campus.

38 (c) The ~~council~~ *commission* may waive or modify the onsite  
39 inspection for institutions offering home study or correspondence  
40 courses. The visiting committee shall be impaneled by the ~~council~~

*commission* within 90 days of the date of the receipt of a completed application and shall be composed of educators, and other individuals with expertise in the areas listed in subdivision (b) of Section 94900, from degree-granting institutions legally operating within the state. Within 90 days of the receipt of the visiting committee's evaluation report and recommendations, or any reasonable extension of time not to exceed 90 days, the ~~council~~ *commission* shall take one of the following actions:

(1) If the institution is in compliance with this chapter and has not operated within three years before the filing of the application in violation of this chapter then in effect, the ~~bureau~~ *commission* may grant an approval to operate not to exceed five years.

(2) If the institution is in compliance with this chapter, but has operated within three years before the filing of the application in violation of this chapter then in effect, or if the ~~council~~ *commission* determines that an unconditional grant of approval to operate is not in the public interest, the ~~council~~ *commission* may grant a conditional approval to operate subject to whatever restrictions the ~~council~~ *commission* deems appropriate. The ~~council~~ *commission* shall notify the institution of the restrictions or conditions, the basis for the restrictions or conditions, and the right to request a hearing to contest them. Conditional approval shall not exceed two years.

(3) The ~~council~~ *commission* may deny the application. If the application is denied, the ~~council~~ *commission* may permit the institution to continue offering the program of instruction to students already enrolled or may order the institution to cease instruction and provide a refund of tuition and all other charges to students.

(d) When evaluating an institution whose purpose is to advance postsecondary education through innovative methods, the visiting committee shall comprise educators who are familiar with, and receptive to, evidence bearing on the educational quality and accomplishments of those methods.

(e) The standards and procedures utilized by the ~~council~~ *commission* shall not unreasonably hinder educational innovation and competition.

(f) Each institution or instructional program offering education for entry into a health care profession in which the provider has primary care responsibilities shall offer that education within a



1 professional degree program which shall be subject to approval by  
2 the ~~council~~ *commission* pursuant to this section.

3 (g) (1) If an institution is not operating in California when it  
4 applies for approval to operate for itself or a branch or satellite  
5 campus, the institution shall file with its application an operational  
6 plan establishing that the institution will satisfy the minimum  
7 standards set forth in subdivision (a) of Section ~~94900~~ 94250. The  
8 operational plan also shall include a detailed description of the  
9 institution's program for implementing the operational plan,  
10 including proposed procedures, financial resources, and the  
11 qualifications of owners, directors, officers, and administrators  
12 employed at the time of the filing of the application. The ~~council~~  
13 *commission* may request additional information to enable the  
14 ~~council~~ *commission* to determine whether the operational plan and  
15 its proposed implementation will satisfy these minimum  
16 standards.

17 (2) If the ~~council~~ *commission* determines that the operational  
18 plan satisfies the minimum standards described in subdivision (a)  
19 of Section ~~94900~~ 94250, that the institution demonstrates that it  
20 will implement the plan, and that no ground for denial of the  
21 application exists, the ~~council~~ *commission* shall grant a temporary  
22 approval to operate, subject to any restrictions the ~~council~~  
23 *commission* reasonably deems necessary to ensure compliance  
24 with this chapter, pending a qualitative review and assessment as  
25 provided in subdivisions (a) and (b) of Section ~~94900~~ 94250. The  
26 ~~council~~ *commission* shall inspect, pursuant to subdivision (a) of  
27 ~~Section 94901~~ *this section*, the institution, or branch or satellite  
28 campus if approval is sought for that campus between 90 days and  
29 180 days after operation has begun under the temporary approval  
30 to operate. Following receipt of the visiting committee's or the  
31 ~~council~~ *commission* staff's report, the ~~council~~ *commission* shall act  
32 as provided in paragraph (1), (2), or (3) of subdivision (c).

33 (h) If at any time the ~~council~~ *commission* determines that an  
34 institution has deviated from the standards for approval, the  
35 ~~council~~ *commission*, after identifying for the institution the areas  
36 in which it has deviated from the standards, and after giving the  
37 institution due notice and an opportunity to be heard, may place the  
38 institution on probation for a prescribed period of time, not to  
39 exceed 24 calendar months. During the period of probation, the  
40 institution shall be subject to special monitoring. The conditions

1 for probation may include the required submission of periodic  
2 reports, as prescribed by the ~~council~~ *commission*, and special visits  
3 by authorized representatives of the ~~council~~ *commission* to  
4 determine progress toward total compliance. If, at the end of the  
5 probationary period, the institution has not taken steps to eliminate  
6 the cause or causes for its probation to the satisfaction of the  
7 ~~council~~ *commission*, the ~~council~~ *commission* may revoke the  
8 institution's approval to award degrees and provide notice to the  
9 institution to cease its operations.

10 (i) An institution may not advertise itself as an approved  
11 institution unless each degree program offered by the institution  
12 has been approved in accordance with the requirements of this  
13 section. The ~~council~~ *commission* shall review all operations of the  
14 institution, pertaining to California degrees, both within and  
15 outside of California. The ~~council~~ *commission* may conduct site  
16 visits outside of California, including the institution's foreign  
17 operations, when the ~~council~~ *commission* deems these visits to be  
18 necessary. The institution shall be responsible for the expenses of  
19 the visiting team members including the ~~council's~~ *commission's*  
20 staff liaison. The ~~council~~ *commission* may authorize any  
21 institution approved to issue degrees under this section to issue  
22 certificates for the completion of courses of study that are within  
23 the institution's approved degree-granting programs.

24 (j) An institution shall not offer any educational program or  
25 degree title that was not offered by the institution at the time the  
26 institution applied for approval to operate, and shall not offer any  
27 educational program or degree title at a campus that had not  
28 offered the program or degree title at the time the institution  
29 applied for approval to operate that campus, unless the ~~council~~  
30 *commission* first approves the offering of the program or degree  
31 title after determining that it satisfies the minimum standards  
32 established by this section.

33 SEC. 15. Section 94905 of the Education Code is amended  
34 and renumbered to read:

35 ~~94905.~~—

36 94255. (a) Any public or private postsecondary educational  
37 institution incorporated in another state that has accreditation from  
38 a regional accrediting association recognized by the United States  
39 Department of Education at the time of the issuance of a degree,  
40 and that is approved by the ~~council~~ *commission*, may issue degrees,

1 diplomas, or certificates. Except for continuing education  
2 programs and programs that are exclusively avocational or  
3 recreational in nature, accredited public or private postsecondary  
4 educational institutions incorporated in another state shall not  
5 offer degrees, diplomas, or certificates in California unless they  
6 comply with this section.

7 (b) The ~~council~~ *commission* shall not approve an institution to  
8 issue degrees, diplomas, or certificates pursuant to this section  
9 until the ~~council~~ *commission* has conducted a qualitative review  
10 and assessment of, and has approved, each program offered by the  
11 institution and all of its operations in California, and the ~~council~~  
12 *commission* has determined that the institution meets all of the  
13 following standards:

14 (1) The institution has financial resources to ensure the  
15 capability of fulfilling the program or programs for enrolled  
16 students.

17 (2) The faculty includes personnel who possess appropriate  
18 degrees from institutions accredited by a regional accrediting  
19 association recognized by the United States Department of  
20 Education in the degree major field or fields offered, in sufficient  
21 number to provide the educational services.

22 (3) The education services and curriculum clearly relate to the  
23 objectives of the proposed program or programs.

24 (4) The facilities are appropriate for the defined educational  
25 objectives and are sufficient to ensure quality educational services  
26 to the students enrolled in the program or programs.

27 (5) The institution has verifiable evidence of academic  
28 achievement comparable to that required of graduates of other  
29 institutions operating in this state for the program or programs  
30 upon which the degree, diploma, or certificate is based.

31 (c) The period of any approval issued under this section shall  
32 be subject to Section ~~94901~~ 94251.

33 (d) Institutions approved under this section shall offer in  
34 California only programs that the institution can document to have  
35 been acknowledged or favorably reviewed by the home regional  
36 accrediting association.

37 (e) In reviewing the out-of-state accredited institutions, the  
38 ~~council~~ *commission* shall use as guidelines the standards and  
39 procedures developed by the special committee created pursuant  
40 to paragraph (5) of subdivision (b) of Section 94310.1, as in effect

1 on December 31, 1989, and adopted by the California  
2 Postsecondary Education Commission. These standards and  
3 procedures were based on all of the following principles:

4 (1) Following the initial site review, subsequent onsite reviews  
5 by the ~~council~~ *commission* may be conducted in conjunction with  
6 institutional reviews by the regional accrediting association.  
7 However, if there is substantial evidence that the institution is not  
8 in compliance with state standards, the ~~council~~ *commission* may  
9 initiate a special review of the California operations of the  
10 institution.

11 (2) Each institution may include some, or all, of its separate  
12 operating sites under one application. Alternately, it may submit  
13 separate applications for any one site or combination of sites. The  
14 satellites or branches included in either an initial or renewal  
15 application shall be considered by the ~~council~~ *commission* to  
16 comprise a separate, single institution for purposes of regulation,  
17 approval, and compliance under this chapter.

18 (3) The application shall include a single fee based on the  
19 number of branches, satellites, and programs included within a  
20 single application in order to cover the costs involved for ~~such~~  
21 multisite and multiprogram reviews.

22 (4) If the application is for renewal of an existing approval, the  
23 institution need only submit information necessary to document  
24 any changes made since the time its previous application was filed  
25 with the ~~council~~ *commission*. Fees for reapproval applications will  
26 be based on the actual costs involved in the administrative review  
27 process.

28 (5) The ~~council~~ *commission* shall develop a procedural  
29 rationale to justify the number of sites to be visited by the state in  
30 the review of the institution's operations in California. The  
31 number of sites visited shall be subject to the following  
32 considerations:

33 (A) If the application for approval includes branches and  
34 satellites, the ~~council~~ *commission* may inspect each branch and  
35 may inspect any satellite campus.

36 (B) If the application is for approval to operate a branch or a  
37 satellite, the ~~council~~ *commission*, in addition to inspecting the  
38 branch or satellite, also may inspect the institution operating the  
39 branch or satellite campus.

1 (C) The ~~council~~ *commission* may waive or modify the onsite  
2 inspection for institutions offering home study or correspondence  
3 courses.

4 (D) The purpose of the onsite review by the ~~council~~  
5 *commission* shall be to determine that operations by the institution  
6 in California meet the minimum state standards identified in  
7 statute.

8 (E) The standards and procedures shall not unreasonably  
9 hinder educational innovation and competition.

